

Federal Retirement Thrift Investment Board

§ 1601.22

to redistributing participants' existing account balances among the TSP Funds, which is covered in subpart C of this part.

[68 FR 35495, June 13, 2003, as amended at 70 FR 32207, June 1, 2005]

§ 1601.12 Investing future deposits in the TSP Funds.

(a) *Allocation.* Future deposits in the TSP, including contributions, loan payments, and transfers or rollovers from traditional IRAs and eligible employer plans, will be allocated among the TSP Funds based on the most recent contribution allocation on file for the participant.

(b) *TSP Funds availability.* All participants may elect to invest all or any portion of their deposits in any of the TSP Funds.

[70 FR 32207, June 1, 2005]

§ 1601.13 Elections.

(a) *Contribution allocation.* Each participant may indicate his or her choice of TSP Funds for the allocation of future deposits by using the TSP Web site or the ThriftLine, or by completing and filing the appropriate paper TSP form with the TSP record keeper in accordance with the form's instructions. The following rules apply to contribution allocations:

(1) Contribution allocations must be made in one percent increments. The sum of the percentages elected for all of the TSP Funds must equal 100 percent;

(2) The percentage elected by a participant for investment of future deposits in a TSP Fund will be applied to all sources of contributions and transfers (or rollovers) from traditional IRAs and eligible employer plans. A participant may not make different percentage elections for different sources of contributions;

(3) A participant who elects for the first time to invest in a TSP Fund other than the G Fund must execute an acknowledgment of risk in accordance with § 1601.33;

(4) All deposits made on behalf of a participant who does not have a contribution allocation in effect will be invested in the G Fund; and

(5) Once a contribution allocation becomes effective, it remains in effect until it is superseded by a subsequent contribution allocation. If a separated participant is rehired and had not withdrawn his or her entire TSP account, the participant's last contribution allocation before separation from service will be effective until a new allocation is made.

(b) *Effect of rejection of contribution allocation.* If a participant does not correctly complete a contribution allocation, the attempted allocation will have no effect. The TSP will provide the participant with a written statement of the reason the transaction was rejected.

(c) *Contribution elections.* A participant may designate the amount of employee contributions he or she wishes to make to the TSP or may stop contributions only in accordance with 5 CFR part 1600.

[68 FR 35495, June 13, 2003, as amended at 70 FR 32207, June 1, 2005]

Subpart C—Redistributing Participants' Existing Account Balances (Interfund Transfers)

SOURCE: 68 FR 35495, June 13, 2003, unless otherwise noted.

§ 1601.21 Applicability.

This subpart applies only to interfund transfers, which involve redistributing participants' existing account balances among the TSP Funds; it does not apply to the investment of future deposits, which is covered in subpart B of this part.

[68 FR 35495, June 13, 2003, as amended at 70 FR 32208, June 1, 2005]

§ 1601.22 Methods of requesting an interfund transfer.

(a) Participants may make an interfund transfer using the TSP Web site or the ThriftLine, or by completing and filing the appropriate paper TSP form with the TSP record keeper in accordance with the form's instructions. The following rules apply to an interfund transfer request:

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(1) Interfund transfer requests must be made in whole percentages (one percent increments). The sum of the percentages elected for all of the TSP Funds must equal 100 percent.

(2) The percentages elected by the participant will be applied to the balances in each source of contributions and to both tax-deferred and tax-exempt balances on the effective date of the interfund transfer.

(3) Any participant who elects to invest in a TSP Fund other than the G Fund for the first time must execute an acknowledgement of risk in accordance with § 1601.33.

(b) An interfund transfer request has no effect on deposits made after the effective date of the interfund transfer request; subsequent deposits will continue to be allocated among the investment funds in accordance with the participant's contribution allocation made under subpart B of this part.

(c) If an interfund transfer is found to be invalid pursuant to § 1601.34, the purported transfer will not be made. The TSP will provide the participant with a written statement of the reason the transaction was rejected.

[70 FR 32208, June 1, 2005]

Subpart D—Contribution Allocations and Interfund Transfer Requests

§ 1601.31 Applicability.

This subpart applies both to contribution allocations made under subpart B of this part and interfund transfers made under subpart C of this part.

§ 1601.32 Timing and posting dates.

(a) *Posting dates.* The date on which the TSP processes or posts a contribution allocation or interfund transfer request (transaction request) is subject to a number of factors, including some that are outside of the control of the TSP, such as power outages, the failure of telephone service, unusually heavy transaction volume, and acts of God. These factors also could affect the availability of the TSP Web site and the ThriftLine. Therefore, the TSP cannot guarantee that a transaction request will be processed on a particular day. However, the TSP will

process transaction requests under ordinary circumstances according to the following rules:

(1) A transaction request entered into the TSP record keeping system by a participant who uses the TSP Web site or the ThriftLine, or by a TSP Service Office participant service representative at the participant's request, at or before 12:00 noon eastern time of any business day, will ordinarily be posted that business day. A transaction request entered into the system after 12:00 noon eastern time of any business day will ordinarily be posted on the next business day.

(2) A transaction request made on the TSP Web site or the ThriftLine on a non-business day will ordinarily be posted on the next business day.

(3) A transaction request made on a paper TSP form will ordinarily be posted under the rules in paragraph (a)(1) of this section, based on when the TSP record keeper enters the form into the TSP system. The TSP record keeper ordinarily enters such forms into the system within 24 hours of their receipt.

(4) In most cases, the share price(s) applied to an interfund transfer request is the value of the shares on the date the relevant transaction is posted. In some circumstances, such as error correction, the share price(s) for an earlier date will be used.

(b) *Limit.* There is no limit on the number of contribution allocations or interfund transfer requests that may be made by a participant.

[70 FR 32208, June 1, 2005]

EFFECTIVE DATE NOTE: At 72 FR 73252, Dec. 27, 2007, § 1601.32 was amended by revising paragraph (b), effective Jan. 7, 2008. For the convenience of the user, the revised text is set forth as follows:

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(b) *Limit.* There is no limit on the number of contribution allocation or interfund transfer requests that may be made by a participant. In order to mitigate excessive trading expenses, the Executive Director may write to any participant who engages in excessive trading and ask the participant to stop this practice. If the participant continues to engage in excessive trading, the participant may be required to request interfund transfers by mail.